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# Minutes

## Board of Natural Resources

May 3, 2005  
Natural Resources Building, Olympia, Washington

### BOARD MEMBERS PRESENT

Doug Sutherland, Commissioner of Public Lands

Bob Nichols, for Governor Christine Gregoire

Ted Anderson, Commissioner, Skagit County

Bruce Bare, Dean, University of Washington, College of Forest Resources

R. James Cook, Interim Dean, Washington State University, College of Agricultural, Human, and Natural Resource Sciences

### BOARD MEMBERS ABSENT

Terry Bergeson, Superintendent of Public Instruction

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### CALL TO ORDER

Chair Sutherland called the meeting to order at 9:10 a.m. on, May 3, 2005, in Room 172 of the Natural Resources Building.

### APPROVAL OF MINUTES

MOTION: Commissioner Anderson moved to approve the April 5, 2005, Board of Natural Resources Meeting Minutes.

SECOND: Dr. Bare seconded.

ACTION: Motion passed unanimously.

### PUBLIC COMMENTS FOR AGENDA ACTION ITEMS

No public comment for agenda action items.

### LAND TRANSACTIONS (ACTION ITEM)

#### Collins Acquisition #08-077118 (Handout1)

Evert Challstedt began his presentation by giving a brief description of the Collins property explaining that the property is a small but proportionately important parcel to the Common School Trust. He noted that it's located in Whatcom County, 40 miles NE of Bellingham, and that the property is an abandoned railroad grade. He described the following characteristics in relation to the parcel: Rights of way: 100' by 1,650', 3.8 acres; divides state ownership, restricts access; land use zone: 1 unit/5acres; developable as separate tax parcel; purchase price: \$20,000. He mentioned that this parcel had been sold by the state in 1901 at public auction; it had been a railroad at the time and the railroad company was the high bidder, and subsequently purchased the property for \$10.00/acre. He indicated that a private party now owns the parcel and the region proposed that the Department purchase it again to consolidate the trust ownership block and to provide an access road for a timber sale. He described the benefits stating that the

purchase of this property would increase operational efficiency by providing access and eliminating the need for a land survey saving the Department between \$17,000-\$20,000. It would increase the trust asset value by allowing DNR to control management, development, access, and future marketing of the property as an un-segregated 150-acre tract. He added that this is a transitional property that the Department will not hold for the long-term.

Chair Sutherland commented that the Board of Natural Resources is the body that approves the appraisal of properties that are sold. He asked if by statute it was required that the Board approve acquisitions similar to this.

Mr. Challstedt said his understanding is that the Board sets the policy for trust acquisitions.

Chair Sutherland felt it was important that this acquisition be brought to the Board's attention. He said the Board looks at a variety of acquisitions and in the process of bringing it to the Board DNR sometimes loses the sale due to the amount of time it takes to go through the normal process. He suggested that the Board look at the policy on lower value acquisitions and set a point where if the value is less than \$100,000 dollars then DNR would inform the Board of those acquisitions in a timely manner but would not bring them forward for authorization to procure.

Mr. Anderson asked when the Board would revisit the policy.

Chair Sutherland asked Mr. Challstedt if the policy was in writing.

Mr. Challstedt responded that it certainly could be put in writing.

Mr. Anderson said he felt comfortable with a policy that would direct the Commissioner of Public Lands to determine acquisitions with a value of \$100,000 or less; he felt that was everyday business.

Mr. Bare asked how many of these lower value acquisitions would occur in a year.

Mr. Challstedt said that approximately 30% of the purchases over the last 25 years were of this small transactions size.

Mr. Bare suggested that the Board approve this purchase today and then review the statute with the Attorney General's office.

Chair Sutherland concurred and suggested that the policy be put in writing.

Mr. Cook requested data due to the 30% of purchases being the lower value acquisitions.

Mr. Challstedt said he would provide that.

MOTION: Commissioner Anderson approved resolution #1151.

SECOND: Dr. Cook seconded.

ACTION: Motion passed unanimously.

## **TIMBER SALES (Action Item)**

### Proposed Timber Sales for June 2005 (Handout 2)

Jon Tweedale, Assistant Manager, Product Sales and Leasing, presented. He began with a brief update on the market. He said that the increased price in fuel is affecting the transportation industry, which has a major impact on the timber industry. He explained that the demand for movement of cargo far exceeds the supply of rail and truck capacity.

Mr. Bare asked if the bottleneck was in lumber.

Mr. Tweedale said the negative impact starts with the log and continues down to the finished product.

Mr. Tweedale talked about two companies (RISI & Clear Vision) that provide independent economic reports on stumpage trends. He remarked that both companies had been predicting a slow down in the market this summer due to increased interest rates. However, that did not happen, both companies have pushed out their forecast another 6-12 months. He said that DNR's stumpage trend has continued with strong prices and has jumped from about \$250 stumpage to \$350 stumpage in a six-month time period. He added that in regular timber sales there had been a jump of about \$450 in the last month. He felt that this trend would continue for another 6 months with a softening into the future.

April 2005 Sales Results:

14 sales offered & 14 sold; 60.8mmbf & 60.8mmbf sold; \$15.9 million minimum bid & \$21.6 million sold; \$267/mbf offered & \$355/mbf sold; average number of bidders, 5; 36% above minimum bid.

Mr. Tweedale talked about the proposed June 2005 sales stating that the total volume would bring DNR to 605 million board feet. He explained how he uses trend analysis and past market strength both short term and long term and then builds them into the forecasting models. He informed the Board that he and Angus Brodie were working together to establish a pricing model that would drive volume and value and manage volume as the Board had requested.

Chair Sutherland asked for the Eastside/Westside split as far as volume.

Mr. Tweedale stated that the Westside would see 507 million board feet and the Eastside would see 100 million board feet. He noted that as far as board feet being harvested they are ahead of schedule and he commended the regions for doing an excellent job in bringing sales forward.

Mr. Tweedale moved on to discuss contract harvesting and gave a brief update. He informed the Board that there had been four total contract harvesting projects completed: three on the Eastside; one on the Westside; with a total of 17.5 mmbf. He laid out the 05-06 projects saying there were five total, and four would be forest improvement. He updated the Board on the contract harvest earnings stating that the bid value was \$4,067,000 with \$232/mbf. There was a 12% increase due to merchandising optimization with a total value of \$4,528,000 and \$259/mbf.

Mr. Tweedale made note of the successes and learning's of this process indicating that there was an increase in operational control, increase in customer base, improvement in cash flow, satisfaction of customers, and an increase in data processing at a minimal cost.

Chair Sutherland asked if the 17.5 million board feet of timber in the contract harvesting was reflected in the 507 million board feet for the year.

Mr. Tweedale responded that it was.

Mr. Tweedale referenced SB 6144, which includes a new method called forest improvement/silviculture treatment; the first sale under that bill is named Flowery Trail sale. He explained that this new method addresses forest health through a silviculture activity. He said that the silviculture program would be strengthened by treatments that otherwise would not be done due to cost.

Mr. Bare clarified that contract harvest in general are part of the sustainable harvest, but forest improvement is in addition.

Mr. Tweedale said that was correct.

Chair Sutherland said there was a company looking at thinning activities on state and private lands utilizing small diameter stems.

Mr. Tweedale said there was several companies that make oriented strand board (OSB), which makes plywood panels. He said it's a big competitor to the plywood market because right now there are no businesses similar to that west of the Mississippi; he said it would benefit the Pacific Northwest to explore that type of facility.

Mr. Anderson asked if most of the OSB was imported from Canada.

Mr. Tweedale said yes, but mostly in Eastern Canada.

Chair Sutherland commented that he had heard of a possible opening of a facility that would process small diameter stems in Washington State.

Mr. Tweedale said there had been talk of that type of facility opening and the people doing so are trying to justify whether there is an available supply. He said that DNR has cooperated with the University of Washington on a study of forest health sales; Larry Mason and Dr. Bare's group assisted the Department in providing really good information that would be helpful to the marketing program on the Eastside.

Proposed June 2005 Board Sales: 17 sales with 72.8 mmbf \*1 forest improvement sale; \$19.2 million minimum bid stumpage; average \$265/mbf stumpage. The forest improvement sale is not part of the 72.8 mmbf.

MOTION: Dr. Bare moved to approve the April 2005 Timber Sales.

SECOND: Dr. Cook seconded.

DISCUSSION: Chair Sutherland asked about the cedar salvage sale that had been brought to auction twice and still had not been bid on. Chair Sutherland commented that people had given public testimony indicating that DNR should offer cedar salvage sales and now that they've been offered there has been no response. He wondered if there had been any feedback on why this is occurring. He added that the Department is spending a lot of time, money, and effort putting these sales together.

Charlie Cortelyou, Olympic Region Manager, came forward and informed the Board that there had actually been three cedar salvages sales with no bids. He stated that they had lowered the price of the cords and talked about how they could make the sales more attractive. The price was finally lowered to \$100 a cord but still no bids were made. He

expressed his concern over the staff time and effort put into these sales. He indicated that he would make one more attempt at finding out what could be done to attract bidders.

Mr. Anderson asked if they were helicopter sales.

Mr. Cortelyou said yes.

Mr. Cortelyou mentioned that a company called U.S. Bioenergies was interested in building two mills in Clallam and Ferry County to process the small diameter wood. He said they crush it and make beams out of it and that there is a high demand for that product. The company is interested in this niche and is looking for funding; the County Commissioners are keeping in contact with the company and their funding situation. Because of the thousands of acres of pre-commercial thinnings this would be a great opportunity for DNR to take advantage of that niche market.

Mr. Tweedale added that the above-mentioned wood is called laminated veneer lumber and that it's actual lumber as opposed to panels.

Mr. Anderson asked what the volume of cedar was in the total of the three salvage sales.

Mr. Cortelyou said it was around 500 cords.

Mr. Anderson asked if there were still small mills in the Forks area.

Mr. Cortelyou said there are still a few small mills but their extension to keep their TP burners going ends July 1; that may put some of them out of business.

Mr. Anderson was surprised that they were still using TP burners.

Mr. Cortelyou said they sell the smaller cedar sales to mills but it's the larger scale sales that aren't selling.

Mr. Anderson wanted to know if the Olympic Region would be offering the cedar salvage sale again, or is that effort being halted.

Mr. Cortelyou said he would have another visit with the cedar/shake community to see if there's any valuable feedback that would assist in attracting bidders.

ACTION: Motion passed unanimously.

Break at 9:50am.

Reconvened at 10:15am.

## **CHAIR REPORTS**

### Policy for Sustainable Forests (Handout # 3)

Bruce Mackey began by talking about the Board's request to discuss the innovation and technology used to implement policies specifically in regards to planning at the broader scale versus the smaller scale. He noted that the Board needed to focus on policy and he mentioned Richard Haines, who is a

well-known forest economist. Mr. Mackey mentioned that Mr. Haines works for the Pacific Northwest Research Center and is the Director of Human and Natural Interactions Program. Mr. Mackey listed some of Mr. Haines' publications. Mr. Mackey referred to one of the publications named "Economic analysis in Support of Broad scale Land Management Strategies", he then named another recent publication named "Ecosystems and People: Managing Forests for Mutual Gains", Mr. Mackey explained that the premise of the last publication was to answer the question can forests be managed for both ecological objectives and wood. The answer was yes. Mr. Mackey read a paragraph from the publication: "Yes, even the best silviculture practices cannot produce all values on every acre, for example diverse, healthy, young forests still do not provide habitat for old forest dependent species. A diversity of stand structures and ages are needed across the landscape to conserve biodiversity". Mr. Mackey then quoted Mr. Haines, "What is incompatible on a small scale, such as one stand, may be compatible on a larger scale at a watershed or a landscape". Mr. Mackey continued the quote, "specific issues emerge at particular scales, landscape scale is a critical bridge between the forest stand scale at which trees are cut or planted, and the regional scale, as for example, the range of the northern spotted owl. Scientists have developed new tools for landscape scale analysis by using geographic information, GIS layers, databases, and advanced computer capabilities. Several types of models offer different approaches at different scales. All are designed to analyze the effects of forest management across large and complex, designed to measure and implement policies. Stand based landscape models, visualization models, successional pathway models, and landscape optimization models all offer different ways to look at long-term challenges and forest patterns across large landscapes, most models can be used to develop information on options that increase compatibility". Mr. Mackey felt that the above quoted paragraph from Mr. Haines covered the policies that the Board wants to see and Mr. Brodie would be showing the Board one of the ways DNR is addressing those issues.

Mr. Brodie demonstrated the latest data technology software (State Upland Viewing Tool Version 1.0) that is now available to DNR for use in forest management planning at various levels and scales.

Angus Brodie, Assistant Manager, Land Management Division, presented. He informed the Board that he would be showing them an example of DNR's technology and data sources that are used for various steps in planning. He explained that he would start at the timber sale level and then work back up to the strategic level. He talked about the enormous amount of geographical information available. He showed several maps on the screen and stated that in 1997 the Department implemented a planning and tracking database that tracked the silviculture activity across the landscape; it cost \$3 million dollars. He stated that the viewing tool provides a quick visual for the foresters who are laying out timber sales. He added that public use and recreation could also be seen on the viewing map, which is accounted for in the timber sale package.

Mr. Brodie referenced the map and indicated that the dispersal area for spotted owls could be seen through this viewing tool as well. He said the Department's goal is to keep around 50% of the watersheds in habitat condition. He explained that the map illustrates this information and assists the foresters in setting up the timber sales. He stated that since 1990 the Department has spent around \$12 million dollars on forest inventory data collection. He talked about classifying the information and using it to assess cumulative effects.

Chair Sutherland asked if this information was available for the entire Westside of the state.

Mr. Brodie responded that it was, and he is currently organizing the implementation process to make it easier for DNR foresters to use.

Chair Sutherland clarified that the Eastside is still being worked on.

Chair Sutherland asked if this same information was available to private forestland owners adjacent to state lands.

Mr. Brodie said some of it is but information on DNR's forest inventory is not.

Mr. Cook asked if there were other states using this type of technology to manage their lands.

Mr. Brodie said there were a number of states using similar technology. He explained that the program is an application in which DNR has spent money to collect data and added functionality to the tools.

Chair Sutherland thanked Mr. Brodie for his presentation and Craig Partridge began speaking on the Policy for Sustainable Forests.

Mr. Partridge began by saying that last month the Board discussed the proposed policy related to planning and the recommended alternative was to plan at the larger HCP planning unit scale, which the Board wanted see before they agreed with that aspect of the alternative. He said that Mr. Brodie's presentation was intended to give a brief demonstration of the capabilities in that regard. He added that there were some changes made to the discussion to reflect how DNR uses this information and technology at the broader scales as well as the smaller scales to look at complex natural resource issues.

Mr. Sprague commented that the next topic was research and there were no policy changes other than what used to be the last policy statement related to staying abreast of best available science, which has been moved to the top statement. He added that in the discussion they listed the research cooperatives and demonstrated that the adaptive management concepts for the PSF are compatible with the HCP.

Mr. Sprague moved on to external relationships explaining that education efforts would be broadened so as not to focus entirely on environmental education. He said the other change to the policy statement was to list trust beneficiaries first.

Mr. Sprague moved on to SEPA review. He said that under option A the policy statement would say that DNR would comply with all requirements of SEPA, whereas option B indicates that there would be a discussion about SEPA but not a policy that relates to it.

Mr. Partridge said this was an issue last month that the Board did not reach complete agreement on.

Mr. Bare felt that option A was a little stronger than the discussion, and he wanted to address that.

Mr. Sprague said the intent was to suggest that it still complies with SEPA.

Mr. Partridge said it sounded like the Board wanted to have this discussion in the introduction rather than having an explicit policy statement.

The Board agreed.

Mr. Sprague said they added a statement saying the Board and public would be provided with clear and succinct reports as part of the Department's reporting and adaptive management process.

Older Forests and Old Growth in Western Washington (Errata Sheet #6)

Mr. Sprague said today's discussion would focus on Older Forests and Old Growth and Public Access and Recreation, he also provided some historical context for the discussion on policy alternatives.

He stated that this policy was titled Older Forests and Old Growth because in the presentation today he wanted to make a clear distinction between Older Forest structures that DNR would be developing through active management of forestlands, and true Old Growth forests with a pre-European settlement origin. The policy alternatives presented today would address true old growth and not development of older forest structures.

He said that Old growth forests are valuable for many reasons. Ecologically, functioning old growth forests provide habitat for a variety of plant and animal species only associated with these uncommon forests, and contain structural elements that cannot be replicated. Consequently, old growth forest structures are key components in meeting long-term HCP objectives. Socially and culturally, Old growth stands are valued and revered as representatives of what once existed across the state of Washington.

He noted that the structures and values of Old growth stands are a result of their pre-European settlement origin and having been left unmanaged and relatively undisturbed for hundreds of years.

Mr. Sprague commented that the Department first discussed Old growth in its program plans in 1984 as part of the Forest Land Management Program. Mr. Sprague read a paragraph from the forestland management program, "The Department will identify and remove certain Old Growth stands in Western Washington from the sustainable harvest base during this planning period to retain the option of acquiring information on Old growth ecological relationships which may have application to intensive timber management". He explained that twelve stands ranging in size from 80-300 acres representing about 1,800 acres total were identified using the following criteria:

- 80 trees at least 160 years old
- 15 trees per acre greater than 32 inches in diameter
- 6 snags per acre greater than 21 inches in diameter
- 6 down logs per acre at least 22 inches in diameter and 36 feet long

He continued, saying that in the 1992 forest resource plan it read, "During this planning period, the Department will continue to defer from harvest certain old growth research stands in Western Washington to maintain the ability to acquire information on ecological relationships which may affect intensive timber management".

He said that the 1992 Forest Resource Plan talked about the Olympic Experimental State Forest (OESF). It stated that the forest, established by the Department in 1989, based on recommendations from the Commission on Old Growth Alternatives, to gain and apply knowledge about old growth forest and modern commercial forest management. The Department deferred from harvest for 15 years 15,000 acres of 60,000 acres of mature natural stands in the OESF, also based on a recommendation from the Commission on Old Growth Alternatives.

He continued stating that the HCP also discussed Old Growth forests and defined it using both age and structure criteria. However, the HCP focused on forest structures that were important because they represented Northern Spotted Owl (NSO) habitat as well as habitat for other older forest structure dependent species. One of the primary objectives of the HCP was to develop and restore older forest structures to benefit those species.



In the HCP, mature/structurally complex forest represented low to high quality NSO habitat. An Older/Fully Functional forest, a subset of the structurally complex forest, represented high-quality NSO habitat.

Mr. Sprague mentioned that in 1997 the Department did not have the forest inventory information available to determine where and how much older forest structure there was or true old growth for that matter, and therefore used age class surrogates to represent and measure the amount of those structures.

Mature/Structurally Complex forest was represented by forest stands 70 years of age and older. Older/Fully Functional forest was represented by forest stands 150 years of age and older and is a subset of Mature/Structurally Complex forest. In using age class surrogates it was recognized that some stands younger than the surrogate age could be structurally complex and that some stands older than the surrogate age would not be structurally complex.

Using these age class surrogates the Department modeled the expected age class distribution after 100 years of forest management under the HCP and developed expected percentages of Mature/Structurally Complex and Older/Fully Functional forests that would likely exist. So in 100 years you could expect that 25% to 35% of each HCP planning unit in Western Washington would be in stands 70 years of age and older or 350,000 to 490,000 acres total; and of that 25% to 35%, 10% to 15% would be in stands 150 years of age and older, or 140,000 to 210,000 acres total in Western Washington. Any classification of forestland with the appropriate structure could contribute to those objectives, including riparian areas, unstable slopes and Natural Resource Conservation Areas and Natural Area preserves.

Mr. Sprague said that while there is no HCP objective for old growth, today, there is close to 76,000 acres of existing old growth as defined by the HCP. This number comes from a variety of data sources, some of which have been field verified and some that have not. Field verification is needed to actually determine what stands meet the definition or not, but the Department's best estimate today is close to 76,000 acres. This number includes the 1,800 acres of old growth research areas and the 40,000 acres of older forest in the OESF.

Both the Department and the Federal Services recognized in 1997, that more accurate ways to describe and identify forest structures other than age class surrogates were needed. It was anticipated that as those methods were developed, the department and the federal services would revisit not only the methodology but also the expected outcomes and percentages of forest structure occurring at the end of the HCP period.

Mr. Sprague explained that in 2004, the sustainable harvest calculation, in modeling achievement of HCP older forest objectives, developed a forest classification system that better described ecological condition and function than simply age. With the exception of the Old Growth, which stayed with the HCP definition, the SHC substituted stand development stages for age to define the structure discussed in the HCP. So rather than an objective of 25 to 35% of each HCP planning unit in Western Washington in forest stands 70 year of age and older, the objective is 25% to 35% of each HCP planning unit in stands in the botanically diverse, niche diversification, or fully functional stage of stand development.

For older forest objectives, the objective is 10% to 15% of each Western Washington Planning unit in stands that are in the niche diversification, or fully functional stage of stand development, rather than simply 150 years of age or older. Again, this is a subset of structurally complex forests. Current Board policy related to retention of existing old growth as defined by the HCP is to help meet this objective.

Mr. Sprague indicated that the Department has had initial conversations with the Federal Services and they seem comfortable at this stage that substituting stand development stages for age class surrogates meets the original intent of the HCP objectives for structurally complex and older forest conditions.

He emphasized that in regard to the Old Growth policy discussion, it is important to note that the Department would be increasing the amount of structurally complex forest through management to meet those objectives. Old Growth forests as defined by the HCP and for the purposes of this discussion, are not considered managed forests, but are viewed as undisturbed stands with a pre-European settlement origin. However, they are most likely in the fully functional stage of stand development and, as directed by current board policy, is a priority for retention in achieving older forest objectives.  
(In other words, we will not be creating nor can we create, true old growth forest)

The policy options presented today relates only to pre-European settlement origin old growth forests as defined by the HCP, the 75,640 acres, and does not change or address structurally complex and older forests objectives.

Chair Sutherland said that one of the items in the legislative session last year was a requirement for DNR to bring together a group of scientists to look at Old growth. He asked if that group's determinations had been incorporated into the definitions being presented today.

Mr. Sprague responded that he had not incorporated the information from that committee yet. He said that the committee is on schedule to present their findings by June 2005; at that point the definitions would be reviewed again.

Mr. Bare expressed his confusion regarding the title of the policy being Older forests and Old growth when he thought Mr. Sprague said the policy focused on Old growth.

Mr. Partridge said that although there is a linkage in purpose under the Board's policy direction the Department also needs a policy that explicitly directs DNR what to do with true Old growth in its entirety that doesn't relate to the managed stands but to the pre-European origin Old growth.

Mr. Bare wanted to know if ecological science supports the distinction of DNR's definition of Old growth and Fully Functional.

Mr. Partridge said he could bring the Board citations but he felt that the most recent comprehensive thinking about Old growth characteristics suggests that a stand that's been in existence for 500 years or more does have distinctions. A managed stand that has fully functional structural characteristics may be just as good for spotted owl habitat although it may not mimic the conditions that have developed over centuries in the true Old growth stands. He said he would bring the Board scientific references to support that.

Mr. Cook commented that Mr. Sprague had made reference to pre-European origin several times and he felt that was a useful term. He felt that it was important to make the distinction that the true Old growth stands have never been touched.

Mr. Partridge said that would happen.

Mr. Bare commented that in the sustainable harvest for Western Washington there were 10-15% of older forests and that they would be included with Old growth; meaning that the true Old growth would not be set aside.

Mr. Sprague said the HCP proposed a definition for Old growth but most of the discussion focused on structure and its importance as habitat.

Mr. Bare said the distinction is there would never be anymore Old growth than there is today.

Mr. Sprague stipulated that for Western Washington the Department would continue to use the HCP definition for Old Growth. Alternative 1 continues the deferral of the 12 old growth research areas and deferral of harvest of 15,000 acres of older forest in the OESF until 2007. Both the acreage associated with the Old Growth Research Areas and 40,000 acres of older forests in the OESF are included in the 75,640 acres. Alternative 1 targets retention of existing old growth as defined by the HCP to meet the 10 to 15% older forest objectives for each Western Washington HCP planning unit.

He stated that as a result of HCP requirements related to Nesting, Roosting, and Foraging habitat, Dispersal Habitat, Marbled Murrelet and Riparian habitat; and current board policy, all 75,640 acres of old growth as defined by the HCP are deferred from harvest for at least 70 years. That is the length of time needed to meet most HCP requirements and older forest objectives. Therefore there are no acres of old growth available for management the 1<sup>st</sup> decade with the exception of carefully designed and controlled operations related to research in the OESF. Under alternative 1 there is no policy direction related to old growth once HCP requirements and older forest objectives are met. Presumably, at that point in time, some old growth forests would become available for harvest activities or could be protected through transfer out of trust status with full compensation.

Under this alternative there is no policy direction related to single old growth trees, defined as greater than or equal to 30 inches in diameter and 160 years of age or older, but these trees, where they exist outside of an existing old growth stand, would likely be used to meet the HCP requirement for retention of a minimum average of 8 large structurally unique trees for each acre harvested in Western Washington. This also coincides with one of the elements of the HCP Old Growth definition of at least 8 trees per acre greater than or equal to 30 inches in diameter.

Chair Sutherland informed Mr. Sprague that he had brought some “cookies”, slices of trees that are in excess of 100-160+ years. He noted the variations in size and age: one cookie was 5 1/2 inches in diameter and approximately 125 years old, another was 7 inches in diameter and also around 125 years old, another cookie was 7 inches in diameter and 145 years old, another was 11 inches in diameter and in excess of a 150 years old, and yet another was 14 inches in diameter and 165 years old. He asked Mr. Sprague if the 14-inch/165 year old tree would be harvestable.

Mr. Sprague said it would not qualify as single Old growth trees.

Mr. Partridge said that was correct unless the tree was in a stand that was otherwise protected for riparian reasons.

Chair Sutherland added that it's really important to remember that the size and age of a tree don't always coincide.

Mr. Anderson said that was a great point when you're dealing with a single tree. He felt that a more important point when you're dealing with the forest in general is that there are other qualifiers that the forests meet. For example three different canopy levels and so many snags, which would indicate that you were moving into an older forest.

Mr. Sprague moved on to the next alternative detailing that under alternative 2, the permanent protection option, all old growth as defined by the HCP outside the OESF would permanently be deferred from harvest. In the short term it would be retained to meet HCP objectives. Once objectives were met, again expected to take 70 years, old growth would most likely be transferred out of trust status with full compensation to assure its continued protection.

He commented to the Board that inside the OESF, operations involving harvesting of some old growth might occur to meet the research objectives of OESF and the HCP. Single and small clumps of old growth trees as defined by the HCP ( $\geq 30$  inches in diameter and 160 years of age) would be the focus to meet HCP requirements for retention of large, structurally unique trees (minimum of an average of 8 per acre).

Also under this alternative, exceptions to the policy could be made for certain operational considerations. Examples might be removal of single or a small number of individual old growth trees for worker safety or when there are no reasonable alternatives for a road location.

Finally under this alternative, when in the best interest of the trust, old growth stands or small clumps of old growth trees may be transferred out of trust status with full compensation at any time.

Mr. Sprague conveyed to the Board that under alternative 3, the Department's recommended, retention of old growth to meet older forest objectives would be focused on old growth stands 80 acres and larger. The scientific literature indicates that old growth stands smaller than 80 acres begin to lose some of the ecologic function associated with true old growth due to edge effect. As a result of this alternative a little over 72,000 acres of old growth continues to be deferred for 70 years to meet HCP objectives and about 2,800 acres of existing pre-European settlement origin old growth as defined by the HCP and in stands smaller than 80 acres is potentially available for harvest in the 1<sup>st</sup> decade.

It's potentially available as it is located in areas where it does not appear to directly contribute to HCP requirements related to NRF, dispersal, Marbled Murrelet or riparian habitat. However, prior to any proposed activity, old growth stands smaller than 80 acres would be evaluated for their potential contribution to HCP objectives and for their social or cultural significance and conserved or managed based on that evaluation. Any proposal to harvest any old growth stands smaller than 80 acres would be reviewed by the board.

Under this alternative, once HCP objectives were met again in 70 years, old growth stands larger than 80 acres may be managed or protected through transfer out of trust status with full compensation. Single and small clumps of old growth trees and operational exceptions to the policy are treated the same as in alternative 2.

Chair Sutherland said that his interpretation is that the Old growth stands **may** be made available not **will** be made available; the **may** is under the circumstances that they no longer contribute to the HCP commitments.

Mr. Sprague said they would be evaluated for importance to marbled murrelet strategies and that information would be needed before doing any activity.

Mr. Anderson asked if because this land is currently under HCP would it be in the best interest to the trusts to choose alternative 3.

Mr. Sprague said the acres would be evaluated including their social and cultural significance, and if it were in the best interest of the trust they could be transferred with full compensation.

Chair Sutherland responded that the Department had already set aside significant lands through the Trust Land Transfer Program, he wondered if those lands were included in the 75,000 acres.

Mr. Sprague said that some are and it's possible that some of the 27 70 are as well; he would look into and identify those acres.

Mr. Anderson wanted to be clear that the 80 acres wouldn't come back and bite the Department over using riparian corridors.

Mr. Sprague said that in the evaluation riparian areas would be identified that weren't in the GIS layer. Those acres would not be subject to harvest because it would not be consistent with the HCP requirement for riparian areas.

In terms of today's policy discussion, for Eastern Washington, the Department proposes to use the definition work of the scientific committee to identify and analyze through the Eastern Washington Sustainable Harvest Calculation, the location and amount of old growth forest in Eastern Washington. Therefore the Department is not recommending policy options for old growth forests in Eastern Washington at this time and recommends revisiting this topic as part of the Eastern Washington Sustainable Harvest Calculation.

Until that time in Eastern Washington, the Department will continue to retain large diameter trees as required by its legacy tree procedure and retain and develop large diameter trees and older forest structures as part of its efforts to retain and develop sustainable Northern Spotted Owl Habitat along the east slope of the cascades

Mr. Partridge clarified that although the edge effect limits the ecological functionality of the smaller stands they could easily provide the required HCP riparian functions. He said they would review this discussion and make sure it's as clear as possible.

Mr. Cook wondered how many properties make up the 2,700 and 70,000 acres.

Mr. Sprague said the social and cultural aspects would have to be considered in the evaluation.

Mr. Nichols asked if the Board could see the information regarding Dr. Cook's question about properties vs. acres.

Mr. Sprague said a lot of this information is subject to field verification; he said he could probably give a rough estimate of size distribution of stands.

Bob Nichols asked if there had been an estimate done on the 2,700 acres, and what that number would be after doing an evaluation about other objectives that would be met by retaining the Old growth.

Mr. Sprague said there had been an estimate done.

Mr. Nichols felt it would be likely that after going through an evaluation the number would be less if not considerably less than 2,700 acres.

Mr. Sprague said that would be one of his expectations, one of the reasons being that a majority of the 2,700 acres are located in the North Puget HCP Planning Unit (King County), in developing the marbled murrelet strategy some of those stands would play a role in that.

Mr. Nichols asked what the timber value and mill capacity for Old growth is today.

Mr. Sprague said he talked with Jon Tweedale and very roughly estimated that it could be 70-100 million dollars total for that 2,700 acres, but that is a very rough estimate. Mr. Tweedale felt that there would be milling capacity to deal with those trees.

Mr. Nichols asked what the difference in value is between an Old growth tree versus a second growth tree; is there a premium value on Old growth trees.

Mr. Sprague said Jon Tweedale would know that answer.

Mr. Nichols felt that the social and cultural aspects outweighed the economic value regarding the true Old growth acres.

Mr. Anderson felt that this decision boiled down to the Board having flexibility and the ability to make the final decisions. He expressed concern that some groups may hold more cultural value than others and he felt strongly that no Old growth trees would be cut.

Mr. Nichols asked Mr. Anderson if he'd be amenable to a sequence in the policy where it's stated first and foremost that the Board tried to meet other ecological objectives, preference to transfer trust for social and cultural reasons, and that the trees remaining would have to be approved by the Board.

Mr. Anderson said he wouldn't have a problem with that because he seriously doubted that any of the Old growth trees would be cut.

Mr. Nichols conveyed to Mr. Sprague that in alternative 3 his suggestion could be written out in a sequence.

Mr. Sprague said his group would develop some language pertaining to that and would bring it back in June.

Mr. Bare said that he thought the Old growth trees were going to be transferred out of trust status due to the fiduciary responsibilities of the Board.

Mr. Partridge pointed out that in the blue copy both alternative 2 and 3 the last paragraph of bold language says "When in the best interest of the trust the Department will transfer Old growth stands and small clumps of large diameter Old growth trees having high social or cultural value out of trust status when full compensation is secured". He added that the managed stands would be managed under the HPC not under this policy.

Mr. Partridge clarified that the matrix was intended to aid the discussion.

Mr. Nichols talked about preserving the Old growth trees as a legacy and suggested that the Board sequence a policy as mentioned above.

Mr. Mackey added that there are Native American tribes that occasionally want to purchase trees for social, cultural and religious reasons.

Mr. Partridge asked the Board for their final thoughts on this policy and stated that he felt the Board gave DNR staff a good sense of how to craft a Board preferred alternative that would go into more detail than alternative 3 but wouldn't be alternative 2 either.

Mr. Anderson wanted to make sure that the connection between age and diameter was maintained in the policy.

#### Public Access and Recreation (Errata Sheet #7)

Multiple Use Act (1971):

- Directs Department to utilize a multiple use concept when consistent with trust provisions of lands involved
- Requires compensation when such uses are not compatible with financial obligations of trust lands.

There are three major aspects to public access and recreation on forested state trust lands:

- Designated Sites
  - o Campgrounds, Trailheads, Trail systems
- Dispersed Use
  - o Horses, ORVs, Hiking, Hunting/Fishing
- Illegal Use
  - o Theft, Dumping, Meth Labs

Mr. Sprague stated that although it's clear that illegal use of state forested trust land is incompatible there are aspects of dispersed use that if in excess can compromise the purpose and intent of the HCP to protect riparian areas.

#### Policy Options

The policy options deal with strategies to ensure compatibility of dispersed use with trust objectives (both economic and ecological) and public and employee safety, and the role of management funds in implementing those strategies.

4 alternatives for consideration with alternative 1 (no action) considered inadequate or overly passive guidance regarding public access and recreation at the levels and demands we are seeing today and will continue to see into the future.

Alternative 2 emphasizes limiting, restricting or closing public access to address any negative impacts and to ensure safety and compatibility with trust objectives, including environmental stewardship. Expenditure of management funds is limited to these actions as well as addressing illegal activities. Effective implementation of this alternative would likely involve a substantial increase in management fund expenditures beyond what we see today.

Alternative 3 (active collaboration) emphasizes enhancing the compatibility of increased public access and recreation with trust objectives and public safety through collaboration with user groups, other agencies and landowners to both control negative impacts to trust objectives and public safety but also by actively seeking additional funding. Expenditure of management funds would occur under this alternative

to both control any negative impacts of incompatible public access, but also invested where benefits, including financial, to the trusts can be demonstrated.

Alternative 4 (Department Recommended)(Active Evaluation and Management) emphasizes a case-by-case or landscape assessment of physical capacity of the area to support public access and recreation, the ability of user groups to provide support, and the availability of department staff and resources to address incompatible public access and recreation. Under this alternative the Department would work collaboratively with others based on the assessment to ensure safety and compatibility with trust objectives and public access and recreation. Management funds expenditures would be limited to closing restricting or limiting public access to control the impacts of incompatible dispersed use and illegal activities.

Mr. Anderson made three points that he thought were relevant and important to illegal uses: evaluation, collaboration, and identification of illegal uses. He felt that collaboration with the County, DNR, and the Federal Services would be beneficial and cost effective in the long term.

Mr. Partridge responded that alternative 4 intended to cover those areas.

Mr. Nichols said that alternative 4 was a well thought out and well crafted policy and he supported it as written.

Chair Sutherland said he wanted to alert the Board to the fact that the Environmental Council asked DNR to extend the comment period. He said that he has instructed staff to continue accepting comments from the groups that requested additional time for two weeks after the closing date. He said due to that extension the final decision for the Policy for Sustainable Harvests would be moved to October's Board meeting.

Mr. Bare asked if there would be any legal ramifications.

Chair Sutherland said he didn't believe so.

Mr. Sprague thanked the Board for a robust discussion.

Chair Sutherland informed the Board and the audience that at 1:30 there would be a presentation from the Sustainable Forestry Initiative in the rotunda. He said the Department would be receiving documentation that certifies that the management of the forestlands on the Westside of the state comply with the third party auditor and recognizes that the Department is maintaining ecologically fine forest practices.

## **PUBLIC COMMENT FOR GENERAL ITEMS OF INTEREST**

Bob Dick - American Forest Resource Council (AFRC)

Mr. Dick commented that forests are dynamic and that Old growth is not always going to be there. He felt that the Board needed to have a discussion of an out policy posing the question of what would happen if the vertical Old growth became horizontal.

Mr. Bare congratulated Chair Sutherland and DNR staff for their work towards the certification of SFI. He said this recognition shows that the Department is managing their forest in a sustainable manner.

Meeting adjourned at 12:20 p.m..



Approved this \_\_\_\_ day of \_\_\_\_\_, 2005

\_\_\_\_\_  
Doug Sutherland, Commissioner of Public Lands

\_\_\_\_\_  
Bob Nichols for Governor Christine Gregoire

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Bruce Bare, Dean, University of Washington

\_\_\_\_\_  
R. James Cook, Dean, Washington State University (Interim)

\_\_\_\_\_  
Terry Bergeson, Superintendent of Public Instruction

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Ted Anderson, Commissioner, Skagit County

Attest:

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Sasha Lange, Board Coordinator